GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3944
ANSWERED ON:09.08.2002
INCREASE IN THE INVESTMENT LIMIT
CHANDRA NATH SINGH;SADASHIVRAO DADOBA MANDLIK

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government have recently increased the investment limit for foreign institutional investors from the existing level;

(b) if so, the details thereof;

(c) the areas where this limit has been increased;

(d) whether the capital market is likely to benefit by increasing this limit; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (ANANT G. GEETE)

(a) to (e) : Yes, Sir. In September, 2001, the Indian companies were permitted to enhance the normal aggregate portfolio investment limit from 24% to the applicable sectoral cap levels with the approval of Board of Directors and a special resolution of General Body of the Company. The above measure is expected to enhance the liquidity in the secondary markets.